

MEMORIAL

Of the Merchants, Traders, and Manufacturers of Baltimore,

JANUARY 6, 1818.

Referred to the Committee on Manufactures.

To the Honorable the Senate

And House of Representatives in Congress of the United States.

The Memorial of the subscribers, Merchants, Traders and Manufacturers of Baltimore,

RESPECTFULLY REPRESENTS:

That the trade of the United States has suffered of late very serious embarrassments, detrimental to the whole body of the community, and peculiarly mischievous to the class to which they belong. Your memorialists the more readily invite the attention of your honorable body to the consideration of these evils, because the obviousness of their causes will probably suggest to the National Legislature, the same remedies which are earnestly desired by the mercantile and manufacturing interest, and which, as a part of that interest, they respectfully beg leave to represent.

It must be apparent to your honorable body, that ever since the imposition of the duties intended for the protection of our domestic manufactures, the current of trade has been diverted from the regular channels, to the great injury of the regular trader, and the great detriment, as your memorialists conceive, of the public revenue.—The manufacturers of Great Britain no longer find their way to the consumers through the regular importers. The manufacturer ingeniously becomes the shipper of his own manufactures; the invoice prices are at the original cost to *him*, on which duty is paid, agreeably to the provision of law, "*on the nett cost of the article, at the place whence imported.*" The regular importer is chargeable with duty on his imports, including the manufacturer's profits, making a difference in favor of the foreign manufacturer of 20 per cent. in the duties, which is an encouragement to a foreign subject, operating seriously to the injury of our own citizens, and an inducement to vend in large quantities at auction, &c. and at much lower prices than can be afforded by the importer in the fair course of trade. When to the costs of

purchase and transportation, he adds the duties which the national legislature has deemed fit to establish, he cannot afford his commodities, but at a much higher rate than they can be had under the hammer of the auctioneer, into whose hands they have come, with either entire or partial evasions of those revenue laws, to which the honest trader submits.

The facility with which the revenue may be defrauded, and the importer thus deprived of his legitimate profit, may be understood from the contemplation of one mode alone, in which the manufactures of Great Britain are at present introduced and vended in the country. The entries at the custom house are occasionally made by a respectable merchant, to whom a cargo, accompanied by an invoice, is consigned, by a foreign manufacturer. Of the quality, quantity and value of these goods, he has no other knowledge than from his invoice, and he may, with a safe conscience, take the requisite oaths that the costs are as stated, that he has no second set of invoices, and that whatever error or fraud he may detect in the quantity or value of the parcels, he will make known to the revenue officer. But before the government can derive any benefit from this last article of the oath, the goods which had been consigned to wait farther advices, are transferred by an order of the shipper to an agent in the secret; their value is adjusted by a genuine invoice, and they are consigned for sale to an auctioneer, who vends them without reference to the entry, and without any obligation, either to know the cost or report it to the collector.

It must appear to your honorable body from this statement, and from others which might be made, how numerous are the mischiefs, which in this state of things, must result to the fair and regular dealer, and how broad the opening to frauds on the customs. It must occur, that numberless expedients will be employed by the daring and unprincipled, to elude and defraud the existing revenue laws, to which the honest dealer disdains to resort. Commodities are either smuggled into port, or are entered at the custom house beneath their actual value and quantity: they escape search under the sanction of respectable names, and are retired from their hands before they can discover the fraud, of which they have been made the involuntary instruments. The present mode of distributing them by sales at auction, affords the desired facility, securely to effect the concealment of imposition; and while the importer is thus despoiled of his profits, and the customs defrauded in numerous instances, the manufacturer, for whose benefit the duties were imposed, encounters added loss, instead of reaping advantage.

Your memorialists would therefore respectfully submit to your consideration, the propriety of enforcing the collection of the duties, by a more scrutinizing examination of the cargoes which are entered. It is not the design of your memorialists to impeach either the diligence or fidelity of the revenue officers, but it is well known, as their examination is at present conducted, that fraud cannot fail, in most

cases, to escape detection. A collector is scrupulous of searching the consignments of a trader of fair fame, and as the law leaves inspection optional with him, by authorizing it, whenever cause for suspicion shall appear, to attach suspicion by search to a respectable reputation, is a responsibility he is reluctant to encounter. It is left to the wisdom of your honorable body, whether enjoining by law on commissioners or inspectors, the inspection in *all cases* of a *certain portion* of the parcels entered, would not be greatly beneficial to the revenue, by thus removing all objections to search, as well on the part of the officers who are to make, as of the merchant who is to submit to such search.

Your memorialists beg leave to represent in the second place, the necessity of a duty on auction sales, in order to countervail the preponderance now possessed by the auctioneer, over the importer and manufacturer, and thus diminish the mischiefs, of what they conceive to be a hurtful misdirection of the current of trade. The advantage of the auctioneer over the merchant, from the causes just assigned, is greatly augmented by the large amount of his transactions, and by other circumstances. He can afford to sell for his principal at a lower commission, because the great amount of his sales compensates for the small profits he derives from each; and it is well known, that a large proportion of sales have been, and continue to be made by the auctioneers at private sale, thereby they have evaded so far the late duty, it being well understood that only a small proportion of packages contained in an invoice are sold under the hammer, by which the price is fixed for the residue at private sales. Yet your memorialists have no hesitation to say, that notwithstanding the low rate at which purchases are made at auctions, the distant dealers, as well as the purchasers in the sea ports, greatly lament the embarrassments they encounter, from the delay they meet, from the uncertain quality of their purchases, and the general irregularity of the present trade; and as the duty here adverted to seems part of the system of internal taxation, any difficulty arising from the repeal of those taxes, as regards its collection, may be obviated by annexing it to the duties of the collectors or marshals.

While the subtractions from the public income deserve the serious attention of the national legislature, it will not be unmindful of the interest which the consumers of British manufactures have in the correction of the evil complained of. On him its effect is to impose worthless or inferior articles, manufactured for auction, purchased in the first instance, amidst the hurry and competition of the auction room, and then distributed to the unwearied and uninformed consumer; while the manufacturer who is thus undersold, and who must wait till the public shall discover the impositions practised on it, beholds his capital sunk in disastrous investment. It is obvious, that if the British manufacturer even encountered present loss in these adventures, he would ultimately accomplish a most important object, by crashing in our country, the growth of those manufactures it is its policy to foster,

and the distribution of which, is the great and lucrative support of his own. And when, with all these considerations, your memorialists connect the interest of that class to which they appertain, and that of the government, as far as it can be benefited, by reconducting trade into that channel, which will, as they have attempted to show, augment the revenue, by passing the commodities, from which it grows, through *honest* hands; they cannot but hope for the intervention of legislative authority, in favour of the objects on which they have addressed your honorable body.

They, therefore, pray your honorable body to adopt some further measures to ensure the collection of the revenue on all goods, paying an *ad valorem* duty; as also, to lay a duty upon all sales by auctioneers of dry goods, except such as belong to the estate of deceased persons, or insolvents.

And your memorialists, as in duty bound, will ever pray, &c.

William Lorman,
 Luke Tiernan,
 J. Calhoun,
 John Donnell,
 Samuel Taylor,
 J. A. Buchanan,
 Hollins & M^r Blair,
 Wm. Patterson,
 John M^r Kim, jr.
 Wm. Wilson & Sons,
 Peter Hoffman,
 Wm. Cochran & Comegys,
 George E. Grundy & Sons,
 Geo. & Jno. Hoffman,
 Campbell, Ritchie & Co.
 Fridge & Morris,
 Henry Schroeder & Son
 Wilson, Mullikin & Co.
 Schley & Schroeder,
 Henry Bernahre,
 Wm. Norris,
 Harden & Carson,
 Frederic Hammer,
 Lubes & Thomson
 Richard Mason,
 Louis & John Barney,
 P. V. Hoffman,
 Hugh Boyle & Co.
 Frederick C. Graf,
 William Child,
 Robinson & Clap,

Levi Hollingsworth,
 Martin F. Parker,
 David Polk,
 Aldridge & Higdon,
 John Kipp,
 Jacob Deems,
 Lewin Wethered,
 Amos A. Williams,
 Mummey & Meredith,
 Wm. D. Schmidt,
 Charles Warfield,
 Jno. Myers,
 William Owings & Co.
 Ralph Smith,
 C. C. Jamison & Co.
 Wilson & Foster,
 Wm. Coolidge, jr.
 James A. Beaty,
 William Scott,
 John A. Morton, jr.
 Henry Payson & Co.
 Thos. Macilroy,
 H. & R. H. Osgood,
 Mayhew & Burt,
 Hammond & Newman,
 George Campbell,
 H. D. Wilhelhanson,
 John Robinson,
 L. Matthews,
 Baynard & Dickinson,
 Saml. & W. Meeteer,

*John Hilten,
Haslett & M'Kim,
Turner & Henry Morehead,
Saml. P. Walker,
Theodr. C. Proebsting,
Brundige, Vose & Co.
N. Saltenstall,
John Campbell White,
Wm. M'Donald,
James Ramsay,*

*Shultz, König & Co.
Joseph Todhunter,
Mayer Brantz,
Thos. C. Jenkins,
John Clingman,
Isaac Burniston,
Jas. Fulton,
Elisha N. Brown,
Geo. & Jacob Lindenberger.*

